



## Prohibition on Billing Qualified Medicare Beneficiaries

All Medicare providers and suppliers, including pharmacies, must not bill Medicare beneficiaries in the Qualified Medicare Beneficiary (QMB) eligibility group for Medicare Part A or Part B cost-sharing. This includes Medicare Part A and Part B [deductibles, coinsurance, and copayments](#).

The QMB eligibility group is a Medicaid eligibility group through which states pay Medicare premiums and cost-sharing for certain low-income Medicare beneficiaries (QMBs). The QMB eligibility group is one of the [Medicare Savings Programs](#).

All Original Medicare (also called Fee-for-Service Medicare) and Medicare Advantage (MA) providers and suppliers must:

- Make sure that QMBs are not billed for Medicare cost-sharing
- Take action to remedy any QMB billing or collections

To do this, Medicare providers and suppliers should:

- Implement processes to ensure compliance with QMB billing prohibitions
- Make sure their office staff and vendors are using systems to identify the QMB status of Medicare beneficiaries

### Billing of QMBs is Prohibited by Federal Law

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Federal law prohibits all Original Medicare and MA providers and suppliers (not only those that accept Medicaid) from billing QMBs for Medicare Part A and Part B cost-sharing. Even if you don't receive full payment from Medicaid, you can't bill a QMB. These billing protections apply to all dates of service on which an individual is a QMB. You're violating your Medicare provider agreement or obligations under Medicare Part C and may be subject to sanctions if you don't follow QMB billing prohibitions (even when Medicaid pays nothing). Sections 1902(n)(3)(B), 1902(n)(3)(C), 1905(p)(3), 1866(a)(1)(A), and 1848(g)(3)(A) of the [Social Security Act](#) have more information.

Medicare providers and suppliers may bill state Medicaid programs for Medicare cost-sharing, but states can limit Medicare cost-sharing payments under certain circumstances. States must have a means by which Medicare providers can enroll in the Medicaid program for the purposes of processing QMB claims for state payment of Medicare cost-sharing even if a service or provider category is not currently recognized in the Medicaid State Plan (see [42 CFR 455.410\(d\)](#)) and the [CMCS Informational Bulletin on Payment of Medicare Cost Sharing for Qualified Medicare Beneficiaries \(QMBs\)](#)).

Certain Medicare provider types and supplier types may seek payment for unpaid Medicare deductible and coinsurance or copayment amounts as a Medicare bad debt. You must bill the state to determine the state's Medicare cost-sharing liability and receive a Medicaid remittance advice (RA) before claiming bad debt on the Medicare cost report. See [42 CFR 413.89](#) and chapter 3 of the [Provider Reimbursement Manual - Part 1](#) for more information on bad debts.

## The Impact of Improper Billing

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Despite the law, some providers and suppliers, including pharmacies, continue to improperly bill QMBs for Medicare cost-sharing. Many QMBs are unaware of the billing restrictions (or concerned about damaging relationships with providers) and sometimes pay the cost-sharing amounts. Others may experience undue distress when unpaid bills are referred to collection agencies. [Access to Care Issues Among Qualified Medicare Beneficiaries \(QMB\)](#) has more information.

## How to Ensure Compliance

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- Identify whether a beneficiary is a QMB and owes no Medicare cost-sharing by:
  - Using the [HETS 270/271](#) system. Ask your third party eligibility-verification vendors how their products reflect the QMB information from HETS.
  - Accessing the Medicare Administrative Contractor (MAC) Online Provider Portal and MAC Interactive Voice Response (IVR) System. Each MAC offers its own online provider portal and IVR. [Find your MAC's website](#) to register for their portal or for more information on using their IVR.
  - Reviewing the provider Medicare RA notices and beneficiary Medicare Summary Notices (MSNs).
  - Using automated Medicaid eligibility-verification systems in the state where the person lives.
  - Using the Medicare Eligibility Verification transaction (E1 transaction) for pharmacies. Pharmacy providers may submit request E1 transactions and receive a real-time response that includes Medicare Part A, B and D enrollment information.
  - Asking individuals for other proof, like their Medicaid identification card, MSN, or other QMB status documentation.
  - Contacting the MA Plan, if you're an MA provider or supplier, to learn the best way to identify the QMB status of plan members both before and after claims submission.

- Recall any bills for QMB Medicare cost-sharing or bills you turned over to collections. Refund any collected QMB cost-sharing money to the QMB.
- Determine how to bill the appropriate state for Medicaid payment of Medicare cost-sharing. Nearly all states and many Medicaid managed care plans participate in an electronic crossover process to automatically get Medicare-adjudicated claims for Medicaid payment of Medicare cost-sharing for QMBs enrolled in Original Medicare.
  - If a Medicare-adjudicated claim is automatically transmitted from Original Medicare to the state or Medicaid managed care plan under this crossover process, it's noted on the Medicare RA.
  - States must allow enrollment of all Medicare-enrolled providers and suppliers for the purpose of submitting claims for state payment of Medicare cost-sharing (even if a provider or supplier isn't eligible to enroll with the state). Contact the State Medicaid Agency for additional information regarding Medicaid provider enrollment.

## Important Reminders

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- You must not charge a beneficiary enrolled as a QMB for Medicare cost sharing amounts even if their QMB benefit is from a different state than the state where they get care
- QMBs **can't** elect to pay Medicare deductibles, coinsurance and copayments

## Resources

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- [Beneficiaries Dually Eligible for Medicare & Medicaid](#)
- [Checking Medicare Eligibility](#)
- [Change Request 9817: Issuing Compliance Letters to Specific Providers and Suppliers Regarding Inappropriate Billing of QMBs for Medicare Cost-Sharing](#)
- [MM10433: Reinstating the Qualified Medicare Beneficiary Indicator in the Medicare Fee-For-Service Claims Processing System from CR9911](#)
- [MM11230: Medicare Summary Notice Changes to Assist Beneficiaries Enrolled in the Qualified Medicare Beneficiary Program](#)
- [Medicaid](#)

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